Application No.: 09/955,544
Attorney Docket No.: 57046-1
First Applicant's Name: Gregory John Litster
Application Filing Date: September 17, 2001
Office Action Dated: March 19, 2008
Date of Response: July 21, 2008
Examiner: Olabode Akintola

REMARKS

Claims 13-24 are pending. By this amendment, no claims have been amended, cancelled, or added.

Rejection under 35 U.S.C. § 103(a)

Claims 13-24 stand rejected under 35 U.S.C. § 103(a) as allegedly being obvious and therefore upatentable over U.S. Patent No. 6,282,522 issued to Davis et al. in view of U.S. Patent No. 6,847,953 issued to Kuo.

The Office Action correctly acknowledges that Davis et al. does not explicitly teach that the VCT gateway sends a bank transaction request to a bank, which processes the request and sends advice back to the VCT gateway as to whether the transaction has been approved. The VCT gateway in turn sends the advice to the merchant and the purchaser. Instead, referring to Figures 3 and 4, Davis et al. teaches a concentration point 68 that is a staging computer that communicates with any number of service payment terminals 50 to collect batches of transactions (column 4, lines 63-65, and column 13, lines 36-38). The concentration point then sends these transaction batches to a clearing and administration system for processing (column 13, lines 38-40). Once processed, batch acknowledgments, along with other system updates are sent to the terminals 50 via the concentration point (column 13, lines 40-42). The concentration point ensures a successful transfer of data between service payment terminals and the clearing and administration system, and prevents overloading of the clearing and administration system (column 5, lines 3-6).

Thus, Davis et al. explicitly teaches using a concentrator to batch transactions (and acknowledgments) instead of sending each transaction during a purchase, as recited in claim 13. Further, the reference *teaches away* from sending each transaction during a purchase to prevent overloading of the clearing and administration system.

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Further, one would not be motivated to remove the concentrator as argued in the Office Action by a desire to "ensure that the transaction is valid and the purchaser has sufficient funds to complete the transaction" (page 3, last line, to page 4, line 2) - because the reference already explicitly teaches devices and methods for both ensuring the transaction is valid and that purchaser has sufficient funds.

According to Davis et al., during a purchase, the client terminal communicates 236 with payment server 206, first by forwarding the draw request to the payment server. The draw request includes information read from the stored value card by a card reader 210 (column 15, lines 63-66). The payment server processes the draw request in conjunction with an associated security card (step 614 in Figure 11A) (column 16, lines 58-60). A microchip in the security card 220 enables the security card 220 to authenticate and validate the user's stored-value card. If a user stored-value card is accepted by the security card, and the stored-value card contains sufficient value, the security card guarantees that the merchant receives payment according to the amount deducted from the stored-value card (column 11, lines 48-57). The payment server receives a debit command and a security card signature 314 from the security card in the terminal. The security card signature is a value that uniquely identifies and validates security card 218 to prove to stored-value card 5 that the incoming debit command is a valid command from a real security card. This validation ensures that when the stored-value card is debited, that the financial totals in the security card are updated. Thus, the user of the stored-value card is guaranteed that a valid debit of the card has occurred. In step 616, the payment server sends the debit command along with the security card signature to the client terminal for the stored-value card to debit itself.

Thus, the amounts available are stored on the stored-value card and the security card validates the debit, and one would **not** be motivated to send a bank transaction request to a bank, as argued in the Office Action, by a desire to "ensure that the transaction is valid and the purchaser

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has sufficient funds to complete the transaction" (page 3, last line, to page 4, line 2). While the reference does state that traditional credit cards may be used in one embodiment, the reference fails to describe how such an embodiment would function with a security card because traditional credit cards do not store a monetary value that can be increased or debited. However, one could extrapolate that perhaps the security cards maintained a record of the card's balance because Davis et al. does mention updating financial totals in the security card. In any event, the reference already teaches a system that ensures both the transaction is valid and that purchaser has sufficient funds. Therefore, one would not be motivated to modify the references as suggested in the Office Action.

Further, if in defiance of the explicit teachings of Davis et al. one were to remove the concentrator 68, the payment server 206 would continue to processes the draw request in conjunction with an associated security card, which would validate the debit. Communications between the client terminal 204, the payment server 206, and the merchant server 208 would be unaffected by the removal of the concentrator 68. In order to modify the teachings of Davis et al. to produce the device of claim 13, one would also have to disable the security card and stored-value card aspects of the system and make the transactions dependent upon advice received from the bank. Doing so would change the principle of operation taught by Davis et al., which is impermissible because a proposed modification of a prior art reference cannot change its principle of operation. See MPEP §2143.01(VI). Therefore, the proposed hypothetical combination of Davis et al. and Kuo does not render obvious the inventions of claims 13-24 and withdrawal of this rejection is respectfully requested.

Accordingly, the claims are all believed to be allowable. The Commissioner is hereby authorized to charge any fees believed necessary or credit any overpayment to Deposit Account

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No. 04 0258. The Examiner is encouraged to phone Applicants' attorney, Barry L. Davison, to

resolve any outstanding issues and expedite allowance of this application.

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